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The Public Service Commission State of South Carolina

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August 18, 2009

Certified Mail -Return Receipt Requested

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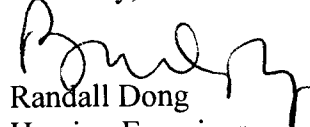
Re: Application of Inmate Calling Solutions, LLC DBA ICSolutions
Commission Docket No. 2009-183-C

Dear Bonnie and Lessie:

Enclosed please find a proposed order in the above-captioned docket, which is being delivered to you pursuant to the requirements of 26 S.C. Code Ann. Regs. 103-841(C). As parties of record in this ICSolution's case, you have ten (10) days from your receipt of this proposed order to file exceptions, present briefs, and/or file written requests for oral argument to the Commission, if you should desire to do so. If none of these are received by me within 10 days of your receipt of the proposed order, I will request that the Commission issue its order in this case based upon the record of the formal proceeding and the proposed order.

Thank you in advance for your consideration in this matter.

Sincerely,


Randall Dong
Hearing Examiner

RD/dd

Enclosure

cc: Joseph Melchers, Chief Legal Advisor
Douglas Pratt, Advisory Staff

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-183-C - ORDER NO. 2009-
AUGUST 18, 2009

IN RE: Application of Inmate Calling Solutions,	)	HEARING EXAMINER'S
LLC d/b/a ICSolutions for a Certificate of	)	PROPOSED ORDER
Public Convenience and Necessity to Provide	)	GRANTING
Intrastate Resold Institutional	)	CERTIFICATE AND
Telecommunications Services and for	)	APPROVING
Alternative Regulation within the State of	)	ALTERNATIVE
South Carolina	)	REGULATION

This matter comes before the Public Service Commission of South Carolina ("Commission") by way of the Application of Inmate Calling Solutions, LLC d/b/a ICSolutions ("ICS" or "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold interexchange telecommunications services throughout the State of South Carolina, pursuant to S.C. Code Ann. §58-9-280(B), as amended, 26 S.C. Reg. 103-823 and Section 253 of the Telecommunications Act of 1996. ICS also sought alternative regulation of its interexchange services, consistent with Order Nos. 95-1734 and 96-55 in Docket 95-661-C as modified by Order No. 2001-997 in Docket No. 200-407-C; waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; and waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("USOA"). The Commission's Docketing Department instructed ICS to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested

parties of the Application of ICS and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. ICS complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

Subsequently, ICS and ORS filed a Settlement Agreement, which is attached as Order Exhibit 1. A hearing was convened on August 3, 2009, at 11:30 a.m. in the offices of the Commission in Columbia, South Carolina, before Randall Dong, Hearing Examiner. ICS was represented by Bonnie D. Shealy, Esquire. The Office of Regulatory Staff was represented by C. Lessie Hammonds.

Kenneth Dawson, Vice President of Contracts and Regulatory for ICS, appeared by video conferencing and testified in support of the Application. The record reveals that ICS is incorporated in California and has registered to transact business in South Carolina as a foreign corporation. According to Mr. Dawson, ICS seeks authority to provide automated collect and pre-paid calling services to inmates of confinement institutions throughout South Carolina, via the resold services of authorized carriers. Mr. Dawson explained the Company's request for authority, and the record further reveals the Company's services and operations.

Mr. Dawson also discussed ICS's technical, financial and managerial resources to provide the services for which it seeks authority. Mr. Dawson offered that ICS is financially able to support its operations in South Carolina. With regard to management and technical capabilities, the Company's Application and Mr. Dawson's testimony both support the conclusion that ICS's management team has extensive experience in the

telecommunications industry that will allow it to be a successful telecommunications carrier within the State of South Carolina. Mr. Dawson's testimony also indicated that the issuance of a Certificate of Public Convenience and Necessity to ICS to operate as a telecommunications service provider in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications. Mr. Dawson also testified that ICS will operate in accordance with Commission rules, regulations, guidelines, and Commission orders.

The Company requests a waiver of 26 S.C. Code Ann. Regs. 103-610, since the Company's books are maintained at its California headquarters. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). ICS maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP").

After full consideration of the applicable law, the Company's Application, and the evidence represented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. ICS is incorporated under the laws of the State of California and is authorized to do business as a foreign corporation in South Carolina by the Secretary of State.
2. ICS desires to provide resold interexchange telecommunications services

throughout the State of South Carolina.

3. We find that ICS possesses the managerial experience and capability to operate as a provider of resold interexchange telecommunications services throughout the State of South Carolina.

4. We find, based on the financial statements submitted by the Company and the testimony at the hearing, that ICS possesses sufficient financial resources to provide the services as described in its Application and testimony.

5. We find that the issuance of a Certificate of Public Convenience and Necessity to ICS to operate as a telecommunications service provider in South Carolina would be in the best interest of the citizens of South Carolina, as the Company provides specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications.

6. ICS has no current plans to maintain offices in South Carolina and requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds ICS's requested waiver reasonable and understands the difficulty presented to the Company should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the Uniform System of Accounts is reasonable.

7. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280(B)

(1) (Supp. 2008).

8. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3) (Supp. 2008).

9. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(4) (Supp. 2008).

10. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2) (Supp. 2008).

11. The Commission finds that the provision of local exchange service by the Company "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 2008).

12. The Settlement Agreement between the Company and the ORS should be approved.

CONCLUSIONS OF LAW

1. The Commission concludes that ICS possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that ICS will participate in the support of universally available telephone service at affordable rates to the extent that the Company may be required to do so by the Commission.

3. The Commission concludes that ICS will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of ICS's Application will serve the public interest, as the Company will provide specialized equipment, controls, and restrictions needed in order to allow inmates to remain in contact with family, friends and other associates while also providing facility administrators with necessary controls on inmate communications.

5. The Commission concludes that the provision of telecommunications service by ICS will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority requested by ICS as set forth in its Application and Mr. Dawson's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to ICS to provide resold interexchange telecommunications services throughout the State of South Carolina.

8. The Commission concludes that ICS's intrastate interexchange telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers

which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carriers calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$.035 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

9. We conclude that ICS’s request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would cause undue hardship on ICS. We also grant exemption from the policies requiring the use of USOA.

10. The Stipulation and Settlement Agreement between the various parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

A. A Certificate of Public Convenience and Necessity should be granted to ICS to provide intrastate local exchange services and interexchange telecommunications services within the State of South Carolina.

B. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

C. If it has not already done so by the date of issuance of this Order, ICS shall file its revised tariff and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS system (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

D. ICS is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

E. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

F. ICS shall resell the services of only those interexchange carriers or local exchange carriers authorized to do business in South Carolina by this Commission.

G. With regard to the origination and termination of toll calls within the same LATA, ICS shall comply with the terms of Order NO. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, ICS shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4, of the Stipulation and Appendix B approved by Order No. 93-462.

H. ICS shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, ICS shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.sc.gov/reference/forms.asp or at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled “Gross Receipts Form.”

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund (“USF”) worksheet, which may be found on the ORS’s website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company’s liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **August 15th** with the Commission and ORS.

I. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. EnTelegent shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/reference/forms.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

J. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

K. ICS is granted a waiver of 26 S.C. Code Ann. Regs. 103-610 (Supp. 2008), which requires the Company to maintain its financial books and records within the State of South Carolina. ICS is granted permission to maintain its financial books and records at its principal headquarters provided that ICS makes its books and records available for examination upon request by the Office of Regulatory Staff. Further, the Commission acknowledges that ICS shall maintain its financial records in conformance with GAAP. ICS is directed to comply with all Rules and Regulations of the Commission unless a regulation is specifically waived by the Commission.

L. ICS will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911” system or “911 service.” However, should ICS in the future offer or provide services which would implicate this Chapter, ICS agrees to contact the appropriate authorities regarding 911 services in the counties and cities where the Company will be operating prior to initiating local service in South Carolina.

M. The Stipulation and Settlement Agreement between the various parties are hereby approved.

N. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Elizabeth B. Fleming, Chairman

ATTEST:

John E. Howard, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

DOCKET NO. 2009-183-C

IN THE MATTER OF:	)	CERTIFICATE OF SERVICE
Application of Inmate Calling Solutions, LLC	)	(BY CERTIFIED US MAIL)
DBA ICSolutions for a Certificate of Public	)	(Return Receipt Requested)
Convenience and Necessity to Provide Intrastate)	
Resold Institutional Telecommunications Services)	
and for Alternative Regulation within the State)	
of South Carolina)	

I, Dale E. Davis, do hereby certify that I have on the date indicated below served the following named individual(s) with one (1) copy of the pleading(s) listed below by causing said copies to be deposited with the United States Postal Service, by certified mail, return receipt requested, postage prepaid and addressed as follows:

PARTIE(S) SERVED:

Bonnie D. Shealy, Esquire
Robinson, McFadden & Moore, P.C.
P. O. Box 944
Columbia, SC 29202

C. Lessie Hammonds, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

PLEADING(S): HEARING EXAMINER'S PROPOSED ORDER GRANTING
CERTIFICATE AND APPROVING ALTERNATIVE REGULATION

Public Service Commission of SC

By:


Dale E. Davis

Columbia, South Carolina
August 18, 2009